



THE CITY OF SAN DIEGO

# REGULATIONS GOVERNING Condominium Conversions

CITY OF SAN DIEGO DEVELOPMENT SERVICES  
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INFORMATION  
BULLETIN  
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This information bulletin summarizes the City of San Diego and Subdivision Map Act regulations and procedures for converting existing rental apartment units into condominiums. These regulations are also intended to protect the interests of tenants by giving them notice of the proposal, assuring specified tenants that during times of tight rental markets (when vacancy rates City-wide are 7 percent or less) they will be provided with reasonable relocation assistance, and providing tenants with an exclusive right to contract for the purchase of a unit.

## I. CONDOMINIUM CONVERSION PROCESS

Condominium conversion projects are considered subdivisions of land and are therefore regulated under the provisions of the Subdivision Map Act. The subdivision into condominiums of nonresidential buildings, or a future or under construction residential building are not considered a condominium conversion.

Condominium conversions require the processing of a Tentative Map (unless a Map Waiver is requested and approved) and a Final Map or Parcel Map. A condominium conversion having more than four units must also be processed and approved through the California Department of Real Estate. For information regarding the submittal requirements for a Tentative Map or Map Waiver, please refer to Project Submittal Requirements for Subdivision Approvals (Section 5, Volume 1, Chapter 1, Land Development Manual). This document is located on the Development Services Department's website at [www.sandiego.gov/development-services/industry/codes.shtml#submanual](http://www.sandiego.gov/development-services/industry/codes.shtml#submanual).

### A. Tentative Map Process (SDMC Chapter 12, Article 5, Division 4)

The Tentative Map process is discretionary and requires project/plan review and environmental analysis by City staff, and final approval by the Planning Commission (Process 4) at a noticed public hearing for projects of 5 or more units, or the Hearing Officer (Process 3) for projects of 4 units or less.

### B. Map Waiver Process (SDMC Chapter 12, Article 5, Division 1)

A condominium conversion project may be eligible for a Map Waiver process if the existing building to be converted includes 4 or fewer units, and is located on a previously developed and mapped lot. A Map Waiver is intended for simple projects having few, if any, development issues. The Map Waiver process is discre-

## Documents referenced in this Information Bulletin:

- Inclusionary Housing Ordinance (SDMC Chapter 14, Article 2, Division 13)
- Condominium Conversion Regulations (SDMC Chapter 14, Article 4, Division 5)
- Subdivision Procedures (SDMC Chapter 12, Article 5, Division 6 and Chapter 14, Article 4 Division 2)
- Coastal Zone Affordable Housing Replacement Regulations (SDMC Chapter 14, Article 3, Division 8)
- California Government Code Sections 66425-66431
- Information Bulletin 532, "Information Regarding Inclusionary Housing"
- Land Development Manual, Volume I, Chapter 1, Project Submittal Requirements, Sections 4 and 5
- Inclusionary Affordable Housing Implementation and Monitoring Procedures Manual

tionary and requires project/plan review and environmental analysis by City staff, and final approval by a Hearing Officer at a noticed public hearing (Process 3).

## II. NOTICES

California State Law and the City's Municipal Code require that all tenants living within a proposed condominium conversion project, and all persons applying for a rental unit within such a project, must receive adequate notice (see California Government Code Section 66427.1 and San Diego Municipal Code Sections 125.0431 and 125.0640). Applicants for a condominium conversion project are responsible for providing the following notices to all tenants (including persons applying for rental units) within the proposed condominium conversion project. The applicant must submit certification for any of these noticing requirements that have been satisfied prior to the Public Hearing.

- A. Each tenant must receive written notice of the intention to convert to condominiums at least 180 days prior to the termination of tenancy. The notice must also state that should the condominium conversion project be approved, tenants may be required to vacate the premises. This notice is only a warning of a possible conversion and not a notice to vacate the premises

- B. Each tenant must receive written notice of intention to file for a condominium conversion at least 60 days prior to the filing of the tentative map or map waiver with the Hearing Officer or Planning Commission for a public hearing. The notice must state that each tenant will be notified of all public hearings and has a right to appear and speak at the hearings. Also, the notice must state that should the condominium conversion project be approved, tenants may be required to vacate the premises.
- C. Each tenant must receive written notice within 10 days of approval of a parcel map, final map, or certificate of compliance for the proposed conversion
- D. Each tenant must receive 10 days written notification that an application for a public report has, or will be submitted to the Department of Real Estate, and that such report will be available on request. There is no requirement for a public report when 4 or fewer units are being converted.
- E. Each tenant must be provided notice of an exclusive right to contract for the purchase of their unit upon the same terms and conditions that such unit will be initially offered to the general public, or terms more favorable to the tenant. This right shall run for a period of not less than 90 days from the date of issuance of the subdivision public report pursuant to Section 11018.2 of the Business and Professions Code. If there is no public report, this period shall run for not less than 90 days from the recording date of the parcel map or certificate of compliance.
- F. Each tenant must receive a summary of the tenant benefits provided pursuant to the City's Municipal Code Section 144.0503(see Relocation Assistance below).
- G. Tenants are also entitled to a written notice to vacate the property. Tenants who have resided on the premises for less than a year shall receive this notice at least 30 days prior to vacating the property, and Tenants who have resided on the premises for a year or more shall receive this notice at least 60 days prior to vacating the property.

The City of San Diego is also responsible for providing public notices regarding the Tentative Map and Map Waiver Process. These notices are sent to all tenants within the proposed Condominium Conversion, as well as all addresses and owners within 300 feet of the proposed condominium conversion. Notices are also sent to the Community Planning Group and any persons who have submitted a request for notification. In addition, these public notices are posted on the subject property, on the City of San Diego's website, and are

published in the local newspaper. The two types of public notices provided by the City include:

- A. A Notice of Application no later than 10 business days after the original application for the condominium conversion has been deemed complete by the Development Services Department;
- B. A Notice of Public hearing at least 10 business days prior to the date of a public hearing for a decision on a condominium conversion;

### III. RELOCATION ASSISTANCE

The City of San Diego's Condominium Conversion regulations are intended to protect the interests of tenants by providing relocation assistance to those in need. Municipal Code Section 144.0503 requires applicants for condominium conversions to provide the following benefits to eligible tenants when the City-wide vacancy rate for residential rental units is seven percent or less

All residents with an income at or below 100 percent area median income (AMI), as shown in the table below and determined by the Housing Commission, who reside within those units being converted are entitled to relocation assistance in the amount of three months of the current rent. The relocation payment shall be paid no later than the day on which the applicant gives notice to the tenant to vacate the premises. This money may be used as down payment assistance to purchase the unit when it is converted.

**Households Entitled to Relocation Assistance**  
**100% AMI - 2004**

Household Size	Household Income*
<b>1 person</b>	<b>\$44,400</b>
<b>2 people</b>	<b>\$50,700</b>
<b>3 people</b>	<b>\$57,050</b>
<b>4 people</b>	<b>\$63,400</b>
<b>5 people</b>	<b>\$68,450</b>

\* Please note that Household Income listed here is for 2004, and that Household Income is revised annually by the California Department of Housing and Community Development.

### IV. INCLUSIONARY HOUSING ORDINANCE

All Condominium conversion projects of two or more units that contain units sold to households earning 150 percent AMI or more are subject to the City's Inclusionary Affordable Housing Ordinance (Municipal Code Section 142.1302). This Inclusionary Housing Ordinance requires that at least ten percent of the total dwelling units within a proposed condominium conversion be set aside for households earning no more than 100 percent AMI. The Inclusionary Housing Ordinance also allows applicants to pay fees in-lieu of providing the affordable units.

The Inclusionary Housing Ordinance further states that condominium conversions sold to households earning 150 percent AMI or less (see Table below), pursuant to an agreement entered into with the San Diego Housing Commission, shall not be included in the dwelling unit totals for purposes of applying the inclusionary housing requirements.

The Ordinance also provides other options to satisfy the affordable housing requirements, for more detailed information on the Inclusionary Housing Ordinance please see Municipal Code Section 142.1302, or Information Bulletin 532.

#### Units Exempt from Inclusionary Housing

##### 150% AMI - 2004

Household Size	Sales Price Restriction*
1 person	\$255,800
2 people	\$296,700
3 people	\$338,100
4 people	\$379,400

\* Please note that the sales price restriction listed here is for 2004, and that these restrictions are revised annually by the California Department of Housing and Community Development.

#### V. COASTAL ZONE AFFORDABLE HOUSING REPLACEMENT REGULATIONS

The purpose and intent of the Coastal Zone Affordable Housing Replacement Regulations (Municipal Code Section 143.0810) is to preserve existing dwelling units within the Coastal Zone that are occupied by low income or moderate income families as defined by Government Code Section 65590(b). All condominium conversion projects within the Coastal Zone are subject to these regulations, with the following exceptions:

Condominium Conversion Projects Exempt from the Coastal Overlay Zone Affordable Housing Replacement Regulations (San Diego Municipal Code Section 143.0820):

- A. The conversion of a residential structure that contains less than three dwelling units;
- B. The conversion of 10 or fewer dwelling units on premises with more than one residential structure.

Within the Coastal Zone, the conversion of dwelling units occupied by households of low or moderate income (as determined by the Housing Commission) is prohibited unless provision is made for the replacement of the units on a one-to-one basis. This one-to-one replacement can be met in any of the following ways:

1. Conversion of existing market-rate dwelling units to units affordable to, and occupied by, low income or moderate income persons or families;
2. Conversion of existing nonresidential development to dwelling units affordable to, and occupied by, low income or moderate income persons or families;
3. Development of new dwelling units affordable to, and occupied by, low income or moderate income persons or families;
4. Substantial rehabilitation of deteriorated or dilapidated dwelling units to units affordable to, and occupied by, low income or moderate income persons or families; or
5. Contribution of an in-lieu fee to the San Diego Housing Trust Fund or a contribution to real property that is acceptable to the Executive Director of the San Diego Housing Commission.

Please note that although most condominium conversion projects in the Coastal Zone will need to comply with the requirements of all three ordinances (i.e. Relocation Assistance, Inclusionary Housing Ordinance, and Coastal Zone Affordable Housing Replacement Regulations), the requirements will not be additive; rather, the most restrictive requirement will apply. The most restrictive requirement will need to be determined based upon the applicant's desires to meet their housing obligations, the characteristics of the tenants, and through discussions/agreements with the Housing Commission.